

A Bill to be Entitled
AN ACT TO MAKE CHANGES TO THE LAW DEALING WITH THE ANNUAL ASSESSMENTS OF MORTGAGE
BANKERS, MORTGAGE BROKERS, AND MORTGAGE SERVICERS.

The General Assembly of North Carolina Enacts:

Section 1. Article 19B of Chapter 53 of the General Statutes is amended by adding a new section to read:

“§ 53-244.100A. Assessments.

(a) For the purpose of meeting the cost of regulation under Article 19B, each mortgage lender, mortgage broker, and mortgage servicer licensed under this Article shall pay into the Office of the Commissioner of Banks an assessment as provided in this subsection. The annual assessment shall consist of a base amount of \$2,000.00 for volumes of no more than \$1,500,000.00, plus an additional sum, calculated on the loan and servicing dollar volume reported by the company to the Office of the Commissioner of Banks for the previous calendar year. If a company has both loan and servicing volume, those amounts shall be added together and the assessment shall be calculated from the table below as follows:

Loan and/or Servicing Dollar Volume		Per Thousand
\$1,500,001.00 to	\$2,500,000.00	\$0.07
\$2,500,001.00 to	\$5,000,000.00	\$0.06
\$5,000,001.00 to	\$10,000,000.00	\$0.05
\$10,000,001.00 to	\$30,000,000.00	\$0.04
\$30,000,001.00 to	\$100,000,000.00	\$0.03
\$100,000,001.00 to	\$1,300,000,000.00	\$0.02
More Than \$1,300,000,001.00		\$0.01

(b) The Commissioner of Banks may collect the assessment provided for in subsection (a) of this section annually or in periodic installments as approved by the State Banking Commission.”

Sec. 2. G.S. 53-244.101 is amended to read:

“§ 53-244.101. License renewal.

(a) All licenses issued by the Commissioner under the provisions of this Article shall expire annually on the 31st day of December following issuance or on any other date that the Commissioner may determine. The license is invalid after that date and shall remain invalid unless renewed under subsection (b) of this section.

(b) A license may be renewed on or after November 1 of each year by complying with the requirements of subsection (c) of this section. A mortgage loan originator shall pay a

~~nonrefundable renewal fee of one hundred twenty-five dollars (\$125.00), and by paying to the Commissioner, in addition to plus the actual cost of obtaining credit reports and State and national criminal history record checks and of processing fees of for the nationwide system Nationwide Mortgage Licensing System and Registry as the Commissioner shall require, nonrefundable renewal fees as follows:~~

- ~~(1) Licensed mortgage lenders, licensed mortgage brokers, and licensed mortgage servicers shall pay an annual renewal fee of six hundred twenty five dollars (\$625.00), licensed exclusive mortgage brokers shall pay an annual renewal fee of three hundred dollars (\$300.00), and licensed mortgage lenders and mortgage brokers shall pay three hundred dollars (\$300.00) for each licensed branch office.~~
- ~~(2) Licensed mortgage loan originators shall pay an annual renewal fee of one hundred twenty five dollars (\$125.00).~~

(c) Licensees may apply to renew a mortgage loan originator, mortgage lender, mortgage broker, and mortgage servicer license. The application for renewal shall demonstrate that:

- (1) The licensee continues to meet the initial minimum standards for licensure under G.S. 53-244.060;
- (2) The mortgage loan originator has satisfied the annual continuing education requirements described in G.S. 53-244.102; and
- (3) The licensee has paid all required fees and assessments. ~~for renewal of the license.~~

(d) If a mortgage lender, mortgage broker, or mortgage servicer's license is not renewed prior to the expiration date, then the licensee shall pay two hundred fifty dollars (\$250.00) as a nonrefundable late fee ~~in addition to the renewal fee set forth in subsection (b) of this section.~~ If a mortgage loan originator's license is not renewed prior to the expiration date, then the licensee shall pay a nonrefundable late fee of one hundred dollars (\$100.00) in addition to the renewal fee set forth in subsection (b) of this section. In the event a licensee fails to obtain a reinstatement of the license prior to March 1, the Commissioner shall require the licensee to comply with the requirements for the initial issuance of a license under the provisions of this Article.

(e) When required by the Commissioner, each person shall furnish to the Commissioner the person's consent to a criminal history record check and a set of the person's fingerprints in a form acceptable to the Commissioner or to the Nationwide Mortgage Licensing System and Registry. Refusal to consent to a criminal history record check shall constitute grounds for the Commissioner to deny renewal of the license of the person as well as the license of any other person by whom the person is employed, over which the person has control, or as to which the person is the current or proposed qualifying individual or current or proposed branch manager."

Sec. 3. G.S. 53-244.115 is amended to read:

"§ 53-244.115. Investigation and examination authority.

(a) For purposes of initial licensing, license renewal, suspension, conditioning, revocation, or termination, or general or specific inquiry, investigation, or examination to determine compliance with this Article, the Commissioner may, ~~at the expense of the applicant or licensee,~~ access, receive, and use any books, accounts, records, files, documents, information, or evidence, including:

- (1) Criminal, civil, and administrative history information, including nonconviction data;
- (2) Personal history and experience information, including independent credit reports obtained from a consumer reporting agency described in section 603(p) of the Fair Credit Reporting Act; and
- (3) Any other documents, information, or evidence the Commissioner deems relevant to the inquiry, investigation, or examination regardless of the location, possession, control, or custody of the documents, information, or evidence.

(b) For purposes of investigating violations or complaints arising under this Article, or for the purposes of examination, the Commissioner may review, investigate, or examine any licensee, individual, or person subject to this Article as often as necessary in order to carry out the purposes of this Article. The Commissioner may interview the officer, principals, person with control, qualified individual, mortgage loan originators, employees, independent contractors, agents, and customers of the licensee, individual, or person concerning their business. The Commissioner may direct, subpoena, or order the attendance of and examine under oath all persons whose testimony may be required about the loans or the business or subject matter of any examination or investigation and may direct, subpoena, or order the person to produce books, accounts, records, files, and any other documents the Commissioner deems relevant to the inquiry. ~~The reasonable cost of the investigation or examination shall be charged against the licensee, individual, or person subject to this Article. The assessments set forth in G.S. 53-244.100A are for the purpose of meeting the cost of regulation under Article 19B. Any investigation or examination which in the opinion of the Commissioner of Banks requires extraordinary review, investigation or special examination shall be subject to the actual costs of additional expenses and the hourly rate for the staff's time, to be determined annually by the Banking Commission.~~

Sec. 4. G.S. 53-244.119 is amended to read:

“§ 53-244.119. Commissioner's participation in nationwide registry.

(a) The Commissioner shall require mortgage loan originators to be licensed and registered through the Nationwide Mortgage Licensing System and Registry. In order to carry out this requirement, the Commissioner is authorized to participate in the Nationwide Mortgage Licensing System and Registry. For this purpose, the Commissioner may establish by rule any requirements as necessary, including:

- (1) Background checks for:
 - a. Criminal history through fingerprint or other databases;
 - b. Civil or administrative records;
 - c. Credit history; or

d. Any other information as deemed necessary by the Nationwide Mortgage Licensing System and Registry.

- (2) The payment of fees to apply for, renew, or amend licenses through the Nationwide Mortgage Licensing System and Registry;
- (3) The setting or resetting as necessary of renewal or reporting dates; and
- (4) Requirements for amending or surrendering a license or any other activities as the Commissioner deems necessary for participation in the Nationwide Mortgage Licensing System and Registry.

(b) The Commissioner is authorized to establish relationships or contracts with the Nationwide Mortgage Licensing System and Registry or other entities designated by the Nationwide Mortgage Licensing System and Registry to collect and maintain records and process transaction fees or other fees related to licensees or other persons subject to this Article.

(c) For the purpose of participating in the Nationwide Mortgage Licensing System and Registry, the Commissioner is authorized to waive or modify, in whole or in part, any or all of the requirements of this Article and to establish new requirements as reasonably necessary to participate in the Nationwide Mortgage Licensing System and Registry.

(d) The Commissioner is authorized to enter into agreements to license the use of the proprietary software owned by the Office of the Commissioner of Banks to banking, mortgage, or financial services supervisory agencies of other states.

~~(e) The Commissioner may require a licensee to pay, through the National Mortgage Licensing System, a reasonable administrative processing fee, not to exceed seventy five dollars (\$75.00), for each of the following licensing status changes:~~

- ~~(1) A change in the name of the licensee.~~
- ~~(2) A change in the address of the licensee's principal office.~~
- ~~(3) For mortgage loan originators, a change in the licensee's sponsors.~~
- ~~(4) For mortgage lenders, mortgage brokers, and mortgage servicers, a change in the control of the licensee.~~
- ~~(5) A change in the identity of the branch manager of any branch of the licensee.~~
- ~~(6) A change in the identity of the licensee's qualified individual."~~

Sec. 5. This act shall become effective _____.